

## ФИНАНСОВЫЕ РЫНКИ

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*J.-G. Degos*THE MOVING AND MIMETIC WORLD OF CREDIT RATING AGENCIES  
IN SEARCH JUSTICE AND EQUILIBRIUM

After recalling quickly the origin of credit rating agencies, their initial atomistic structure, their evolution in oligopoly, and their changing economic model from the investor-pays model to the issuer-pays model, we study the emergence of non-financial agencies, related to sustainable development. We also find that more and more financial support agencies are questionable foreign policies. This fact gave rise to Russian and Chinese agencies, which have different approaches to the markets, and we wonder if it is possible to have more justice and more balance in the increasingly important notation local financial entities, national and international. To present these analyses, we use the institutional and neo-institutional theories, as well as the theory of context, and that of mimetic desire. Refs 26. Figs 2.

*Keywords:* credit rating agency, rating, issuer-pays model, investor-pays model, duopoly–oligopoly, René Girard's theory of mimetic desire.

*Жан-Ги Дегос*ПОДВИЖНЫЙ И МИМЕТИЧЕСКИЙ МИР КРЕДИТНЫХ РЕЙТИНГОВЫХ АГЕНТСТВ  
В ПОИСКАХ СПРАВЕДЛИВОСТИ И РАВНОВЕСИЯ

После краткого анализа природы кредитных рейтинговых агентств, их эволюции в олигополию и изменения экономической модели «Платит инвестор» на модель «Платит эмитент» мы изучили возможность использования не финансовых агентств, связанных с устойчивым развитием. Мы также установили, что поддерживающие финансы агентства все более вызывают сомнения с точки зрения зарубежной политики. Данный факт способствует увеличению числа российских и китайских агентств, которые имеют различные подходы к рынкам. Мы полагаем, что это дает возможность сбалансировать интересы в системе представления национальных и международных финансовых организаций. В настоящей статье мы используем институциональные и неинституциональные теории, а также теорию ситуационных обстоятельств. Библиогр. 26 назв. Ил. 2.

*Ключевые слова:* кредитные рейтинговые агентства, рейтинг, модель «Платит инвестор», модель «Платит эмитент», дуополия–олигополия, ситуационная теория Рене Жирара.

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## Introduction

Credit rating agencies, which often make the headlines, have not brought only misery to the global economy. They have had, and they still have great value, always the same, that of providing reliable information to investors who cannot spend their time traveling the Second World War, to disperse in the space of many countries and to lose Investigations in a time that could be more productive and better employed elsewhere. Formerly, their first field of activity was North America, from the Atlantic Ocean to the Pacific Ocean, and the railway companies, river transport, mines, production of steel and oil held their Warning. They assessed debts, bonds, shares, and they extended their investigations to municipalities, the States, and the highest authorities of the nations. The World Trade opening has significantly opened their scope, but paradoxically, only the financially stronger and better equipped scientifically could face the development of means of studies that were required. The agencies have experienced a phase of multiple and unbridled competition, many have disappeared, others have merged to form an oligopoly of fact. They have changed their business model several times, they have diversified and have faced new competition from non-financial agencies, born of new non-financial needs of sustainable development and fair trade. In recent years, they show their limitations, and accuses them of being politically manipulated sometimes at the expense of Europe, Russia, India or China. One answer can be provided by the creation of new agencies, such as the Sino-Russian agency, and why not? With new structures replacing the current oligopoly has shown its limits by a more balanced and rational model.

### 1. The origin of atomistic competition, chaotic but also mimetic

The three credit rating agencies that currently form an oligopoly controlling 95 % of the global market for credit rating agencies have existed since the early years of the 20th century and very resilient to changes in the constantly changing world, because they have innovated before the market expresses the need and have often preceded the request of their customers. Their prospective approach has allowed them to retain the three of them, one at a time and dynamic oligopolistic structure. Moody's has innovated from the creation of a specific medium, Standard & Poor's has innovated by compiling the most relevant information and Fitch had the remarkable idea to assign grades to the analysed entities. But these agencies have not been content to innovate and protect their innovations: they have integrated the innovations of their competitors and they constituted an oligopoly probably more scalable in design than in terms of pure domination based costs and prices.

To explain their evolution, it is possible to mobilize the institutionalist and neo-institutionalist theories. Institutional and neo-institutionalist theories try to explain the phenomenon of homogeneity in organizations and also study the influence of the institutional environment on organizations. These theories have renewed understanding of the role of organizations and have added to the vast, mainly descriptive knowledge that already exists. These theories began to develop in the late nineteenth and early twentieth centuries, but it was mainly after the Second World War they took off in the social sciences. Max Weber was interested in the processes through which bureaucracy and institutions have become dominant in society. He described the iron cage process created by institutionalization [Weber, 1905]. This process seems evident in the research field

that we present now. These studies, common in Britain and the United States [Meyer & Rowan, 1977; Scott, 1995; DiMaggio & Powell, 1983], are less frequent in France, especially because Credit Rating Agencies were only studied after the French government's debt difficulties, which led to a drop in the French ratings, and after the inclusion of the ratings of the agencies in the Basel II and Basel III agreements. Specialists believe that institutionalist theory focused almost entirely on governmental institutions until the end of the war and that neo-institutionalist theory expanded the scope to all organizations, targeting their institutional nature, which is often repetitive and conservative. One of the fundamental points of the theory is that over time, organizations tend to become more homogeneous but not necessarily more economically efficient. We thought, after studying rating agencies, that this assumption was largely true. Particularly because several authors have allowed us to distinguish three types of institutional pressures that explain the diffusion of neo-institutional theory.

The phenomenon of homogenization is an isomorphism which can take three forms: coercive, normative and mimetic [Scott, 1995]. Coercive pressures are legal or political in nature and correspond to the laws and regulations that regulate the country in which the organization operates. Such a formal system of regulation is necessary when human interactions multiply and actors no longer share the same cognitive values and frameworks. In the case of US rating agencies, the Securities and Exchange Commission and the NRSRO have played a decisive role in coercive pressures [Benzédine & Demil, 1998]. All the international, regional and national professional standards that constitute the foundations of professional philosophies constitute a binding cognitive framework. This normative pressure should enable stakeholders to interpret regulations in a nuanced way, both in terms of design and decision-making [Benzédine & Demil, 1998]. The mimetic constraint studied firms that are under competitive pressure that leads them to copy the mode of operation of their most powerful and performing opponents. But success is never fully assured, and it can lead to a phenomenon of deinstitutionalisation [Scott, 2001], which leads to a process of weakening and disappearing institutions. Let us remember that the first 10 NRSRO-accredited agencies were reduced to 3. Oliver [1991] identified three sources that lead organizations to deinstitutionalization processes: functional factors, political factors, and social factors. As far as the mimetic constraint is concerned, it is fairly simple to understand in the first analysis, but René Girard [1961] gives a more relevant and detailed version, mimetic theory, which allows a revisited reading of the rating agencies, whether financial or non-financial, American, Chinese, Russian or Japanese.

For René Girard, the unitary theory of mimicry, developing the unique concept of imitation, can account for a large number of human behaviours, and if one focuses on rating agencies, one can notice that mimicry, imitation, has often been one of the conditions for their survival, and those who did not want to imitate others have often had a bad destiny. Girard developed his work in the fields of psychology, anthropology, sociology, politics, and economics. It is obviously the economy that interests us here. Heir to Aristotle and Plato, who had already noticed that culture needed imitation to assert itself and to progress, that there was no serious learning without imitation of indisputable models, Girard deepened the conflicts generated by imitation, which ultimately leads to crises and violence [Girard, 1972]. Mimicry engenders rivalry, and rivalry in the second, reinforces mimicry. Mimicry and imitation are linked by very strong relationships, which can be explained in many contexts [Wilden, 1972; 1986].

John Moody (1868–1958) was a self-taught reporter who founded his agency in 1908 and gave priority to the quality of investments and the performance of the means used. Moody's was born of the publication of financial data, gathered in the "Moody's Manual of Industrial & Miscellaneous Securities" published by John Moody; the book contained information and statistics on stocks and bonds of financial institutions, public agencies, and industrial enterprises owned factories, mining, supply of water and electricity and agribusiness, to the American crisis of 1907. Then, from 1909, Moody's assigned credit notes. The relevant conclusions of the studies and the use of letters, known since 1880, convinced users and the Moody's rating was extended to public procurement. Moody's Investors Service was founded in 1914 and supported by its strong performance during the financial crisis of 1929. Moody's has proven its ability to rate companies whatever the situation and whatever the fate of companies [Moody, 1900]. Since the 1970's, Moody's charges its services to companies noted. The company controls about 37 % of the global market for offices, and a profit compared to turnover is around 25 %. Moody was convinced that information was a strategic variable, but it was his competitors who perfected the rating system with letters that many analysts use today. Mimicry, present at the appearance of the first competitor, still exists. It has asserted itself not only in the adoption of practical details (rating) but in the adaptation of the economic model, which has moved from the investor-payer model where information seekers pay, to the issuer-payer model where it is information providers who incur the costs of analysis.

Henry Varnum Poor (1812–1905) began in 1860 to compile financial information on river navigation companies and US railroads. Poor affirmed that: "the investor's right to know" and is a pioneer of public financial information. After the constitution of the company H. V. HW & Poor Co., with his son William Henry (1844–1915), in 1868 they published the Manual of the Railroads of the United States which in a few months, was successful financial edition, with 2500 copies sold priced at US\$ 5. Luther Lee Blake (1874–1953) also foresaw the need for rigorous and reliable financial information, and in 1906 he formed the Standard Statistics Bureau and he began publishing sheets 13 x 18 cm, containing information on the railways. Moody's Manual Co. and Poor's Railroad Manual co. merged under the name Poor's Publishig co. which then merged in 1941 with Standard Statistics Bureau Company to become Standard & Poor's, the first company to use an IBM computer in 1946, and the first to be built in 1957 an index type Standard & Poor's S & P 500. The company is since 1966 a division of the media group McGraw-Hill. With 44 % of the market, giving it a margin of about 55 %, Moody's is the most profitable branch of the CRA in the world. It notes approximately 1,000 companies, 300 financial institutions and nearly 200 local authorities. Poor was the first on the market of economic information, made necessary by the immensity of the American continent, but its initial market, very promising has aroused the desires of its future competitors. But on the other hand, Poor never had any scruple to imitate his followers, to maintain an eminent position [Degos, Henchiri, Ben Hmiden, 2010; 2012] (fig. 1).

A bit later, John Knowles Fitch (1880–1943) had started publishing, too, statistical and financial information, within the Fitch Publishing Company founded in 1913 in New York, in 1924 before introducing the now familiar rating scale ranging from "AAA" to "D". To distinguish itself from its two main competitors, Fitch has offered original research and analysis. After its merger in 1997 with IBCA Limited, one English agency, the Commission analysed the situation of major banks and sovereign wealth funds. The merger

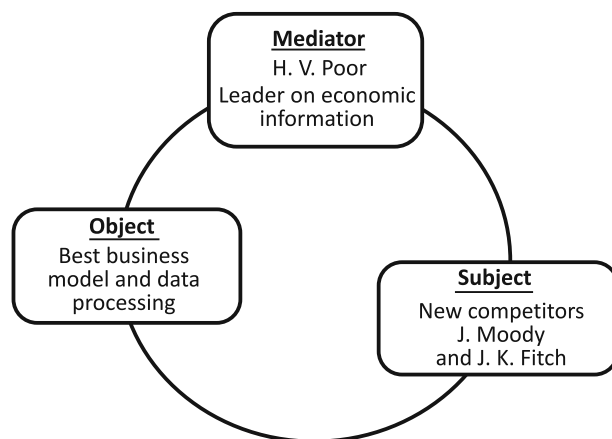


Figure 1. Original competition of the first three rating agencies

with Fitch IBCA put under the control of the French holding company Fimalac SA which holds 80 % stake. Fitch IBCA-bought in 2000 the 4<sup>th</sup> US rating agency, Duff and Phelps and Thomson Bank Watch. Fitch employs 3000 people in its 49 global offices, where New York and London serve as leaders. Algorithmics Fitch took control in January 2005, Toronto Canadian Company that had a dominant position on the risk management market which employed 660 professionals. Fitch Rating controls about 14 % of the worldwide turnover of the rating agencies, and its margin, smaller than its two direct competitors is around 21 %. With 3,500 banks and 1,400 insurance companies in its portfolio, it analyses 2,000 corporate emissions, emissions of 300 States and 46,000 municipal emissions in the US. So, Fitch had picked up Poor's idea, but he had invented the notation with letters, imitated by all his competitors. He too was in the position of the imitator and imited.

## 2. Chance and misfortunes of mimicry: concentration, and the constitution of a three-oligopoly

The concentration of the CRA has been facilitated by the US Federal government in two stages. First in 1970, scholars have issued the first doubts on the independence of rating agencies in the wake of the bankruptcy of Penn Central Railroad. It was one of the first questioned the seriousness and reliability of scoring which has since become a permanent problem with the biased treatment of Russia. In front of this scandal, the SEC<sup>1</sup> established in 1975 certified in the art of scoring by granting NRSRO<sup>2</sup> status to 10 agencies recognized and registered with the US federal regulator. After a few more mergers, their number was reduced to 3 in 1990: Moody's Investor Service, Standard & Poor's and Fitch Rating. Under President Bush, strong political pressure led to accept in 2003 the Canadian company Dominion Bond Rating Service Ltd., and 2005 AM Best Company, popular for ratings in the insurance sector. In 2006, critics of years have resulted in the modification of NRSRO

<sup>1</sup> SEC, *Security Exchange Committee*, is the American authority of the control of the stock markets.

<sup>2</sup> NRSRO is *Nationally Recognized Statistical Rating Organisation* recognized nationally. One of the essential conditions of the NRSRO recognition is reputation nationally (US) issuers of credible and reliable ratings by the main users and investors of securities.

operating rules and the enactment of the Credit Rating Agency Reform Act, which seeks to regulate the internal decision making process of the CRA, but which prohibits the SEC to regulate the rating methodologies of each company member NRSRO. Right after, in 2007, two Japanese rating agencies, Japan Credit Rating Ltd. Rating and Investment Information Inc., and an American company in the Philadelphia area, Egan-Jones Rating Company, were added to the official list. Currently, since April 2011, ten companies are accredited NRSRO.

The second period began in June 2003. After the collapse of Enron, the American regulators decided to review the NRSRO status. On the recommendations of the authors of the Sarbanes-Oxley Act, and despite the loss of investor confidence, the NRSRO status was retained. In September 2006, the enactment of the Credit Rating Agency Reform Act replaced the SEC accreditation system with a simpler registration system, still under the responsibility of the SEC. Finally, July 15, 2010, the finance reform law has strengthened the supervision practices of rating agencies, and is based in part on reducing conflicts of interest and it allows investors to pursue an agency scoring for fraudulent or reckless notation. Along with the evolution of US regulations, the European Commission was mandated by the European Parliament to investigate the creation of a European registration authority for agencies, especially to prevent abuse of the agencies.

The efforts of the regulators did not prevent criticism of rating agencies. These criticisms are of different orders:

- Questionable practices generating conflicts of interest: Employees of certain agencies are both involved in trade relations, with the power to negotiate the fees, while being involved in the analysis process.

- Review of the validity of marks awarded and their arbitrary agencies are struggling to announce a note or change note at the right time. In the past, they have often reacted late, as in the case of Enron in 2002. Sometimes the contrary, they degrade the notes too quickly and are then accused of creating the crisis. The Italian group Parmalat, in 2011, benefited from damages of 748,000 Euro after S & P was convicted by the Court of Milan [Aloisi & Schwartz, 2011].

- The opacity of their methodology: to prevent the copying of their procedures and to protect their market, they communicate and inform little about their rating methodology and the proportion allocated to each indicator used.

- The lack of information dissemination rules: the agencies issue their ratings without formal constraints or supervision of a parent organization.

- A final review is the existence of sometimes obscure or ambiguous relations with financial intermediaries and issuers.

Thus, the credit rating agencies have an important power that allows them to act with impunity because it lends them a real or alleged support of regulators. This power and this support has certainly helped create the structure of the quasi-monopolistic offer we can see today. But at a time when international relations are developing, it is logical to whether this development does not lead to perverse effects and collateral damage. We can see that the successive behaviours of the American Federal Administration can be apprehended according to the criteria of the neo-institutional theory, but that the game between the actors having the status NRSRO can be apprehended according to the criteria of the theory of the mimicry. Co-contractors of the CRA, whether issuers or investors, depending on variations in the business model, have tried to respond. In recent years,



US agencies have often been criticized, quite rightly, for either overcharging US real estate market products or for having the opposite strategy of under-rating [Darbellay, Partnoy, 2012], and many observers have questioned on the real independence of US agencies in the review of structured finance products, in the case of US sovereign debt analysis and in the case of other state debt. Before the hard degradation of the Russian Federation, which has a political colouring, they have degraded several European countries, Greece, Italy, France, and many countries have worried that the main rating agencies will transform, under the pressure of international institutions, quasi-regulator causing an artificial and exaggerated demand for notation, instead of confining themselves to their traditional role of issuing independent and objective opinions. As Darbellay and Partnoy write: "Ratings are supposed to give independent opinions, regulators have made them instruments of regulation" [2012, p. 310] and the situation has worsened with the Basel II and Basel III agreements, which have made them quasi-regulators [Gouriéroux, 2008]. But conflicts of interest and the situation are not quite the same for corporate debts, structured debts and sovereign debts. The most important disputes concern the debts of the companies that pay the agencies for their rating and are therefore in the case of an issuer-payer relationship. Structured debts, after having been the most favoured, are the most penalized [Darbellay & Partnoy, 2012; Du Marais & Frouté, 2008] and the issuers do not hesitate to do a little blackmail. Sovereign debts do not cause the same conflicts, especially when the agency has the initiative of rating and it seems, in this case, more objective. But the sanctioned countries still question the loyalty of the agencies. Finally, there is another case, structured mortgage loans, where agencies have had in the past trends to over-rating to gain new customers and market shares. According to the Dodd — Frank Act, the 2010 agency reform brings some improvements, for example because the law provides for conflicts of interest and also provides for a procedure for reviewing irrelevant ratings. The Dodd-Frank Act does not provide a definitive solution to conflicts, but provides only a set of means to find reasonable and consensual solutions. If the conflict cannot be settled amicably, the parties will have to appeal to the courts on the basis of civil liability. But these problems were limited to economic and financial issues, and there was as yet no political temptation to instrumentalize the agencies [Cantor, Packer, 1994].

### 3. The rise of non-financial agencies

Mimicry, which is easy to operationalize when agencies are close, is a little more difficult to implement when the economic model is different but far from impossible [Wakeman, 2003]. There is, with non-financial agencies, a phenomenon of partial, external, and not total, internal mimicry. In recent years, a new generation of rating agencies has emerged in the area of sustainable development, non-financial rating agencies. Unlike the three leaders of the financial market, they focus on social and environmental criteria. Think like Monsanto multinational companies that may have a financial rating flattering but did enormous damage to our planet, with Orange Agent, the herbicide glyphosate (Roundup), the Terminator patent, the transgenic oilseed rape GT-73 or transgenic corn 863 [Robin, 2008]. New criteria such as corporate responsibility level and attention to sustainable development can radically change its image and reputation. These new agencies began by advising investor's socially responsible sector who did not squander their capital in harmful activities. The new non-financial agencies combine three approaches:

an avoidance approach based on exclusion criteria focusing on activities in controversial areas (alcohol, tobacco, pornography) or controversial activities themselves (child labour, vivisection of animals); a performance approach, more positive, based on an approach describing an exemplary activities; a more comprehensive approach in terms of risks and opportunities that investors in general and socially responsible investors in particular are accustomed. From these three approaches, new agencies offer three types of products to institutional investors and fund managers:

- Declarative notation, they initiated, that is not requested by the target companies of the study. The companies clearly identified, because of their presence in an index (CAC 40, Dow Jones, Nasdaq) are the subject of an investigation and a summary based on the information available, the views of stakeholders and various published reports.

- The solicited rating analyses the degree of social responsibility at the request of a particular company. The work of the agency, in this case remain confidential and only the company concerned may choose to declassify them. But famous examples such as Monsanto group show that it is sometimes possible to obtain the declassification [Robin, 2008].

- The indices of social responsibility are the most innovative: EIRIS created the FTSE4 Good stock index from the Financial Times Stock Exchange data, Vigeo created Aspi Euro based on the index Eurostoxx 600. The SAM Group has built Dow Jones Sustainability index by synthesizing several stock indices.

Non-financial rating agencies have multiplied as they started on a neglected nests by financial agencies. More and more investors consider it essential to go beyond just financial data to perform their portfolio choice but few agencies are still profitable on this young market that has many competitors with few resources. All societal rating agencies in the world would have means about one hundred times lower than Moody's. Oligopoly whose action is contested by the issuers at the top level and by non-financial agencies at the lower level, has therefore already begun to defend his heart craft, but in future will also require him to count with Russian and Chinese agencies.

#### **4. The development of Chinese and Russian rating agencies**

It seems natural to challenge the American agencies, a supremacy that they have obtained cheaply. Here again, the development of Chinese and Russian rating agencies can be revisited according to René Girard's theory of mimetic desire. Chinese and Russian agencies have not gone from scratch, they have observed the history and the multiple avatars of Western rating agencies, but they have the ambition to go further, to challenge some strictly liberal and capitalist choices. At the origin of many conflicts, many crises, René Girard affirms that there is a metaphysical desire which is explained by the will to be "the other" by possessing what he possesses. The object (or legal status) it possesses is not especially precious or interesting, but the fact that it is possessed by a rival makes it desirable. In every desire, there is a subject, an object and a mediator (which tells the subject what to desire). Every desire, from this point of view, is triangular. This structure is stable if the psychological distance between the mediator and the subject is not crossed; its stability decreases until it disappears, when the mediator and his object come closer to the subject. We then move from external mediation to internal mediation. This process appears to be developing in the global rating agency market, but it is far from complete (fig. 2).

The Chinese agency Dagong, founded in 1994, was the first to embark on the rating of sovereign debt and impose a Chinese presence in the oligopolistic market dominated



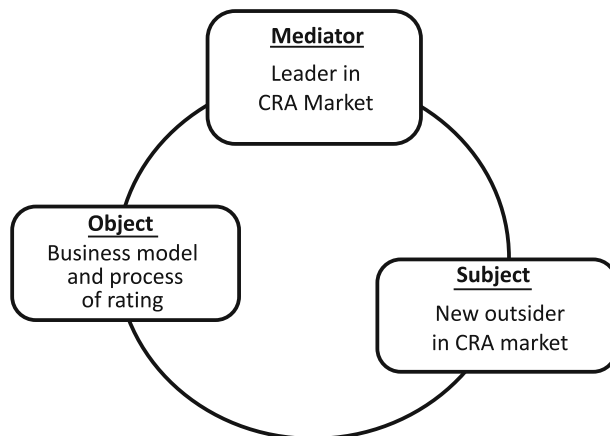


Figure 2. Triangular mimetic desire between leader and outsiders

by Standard & Poors, Moody's and Fitch. Dagong uses the rating system of Standard & Poors and Fitch (AAA rating to D), and is more severe than Western agencies. Only seven countries have AAA rating for their debt in local currency (Norway, Denmark, Luxembourg, Switzerland, Singapore, Australia and New Zealand). Dagong has the same notes but a different method of notation, it should not be overlooked for several reasons: China is one of the major creditors of the world, and as such it has a good expertise of risks and debts. It does not spare the feelings and the European and American politicians. Moreover Dagong is very realistic in its approach to the growth and evolution of the debt of the countries it note. It gives an important statistical weight to growth in gross domestic product (GDP) and the ratio of Public debt / GDP is particularly low for many developed countries. Dagong says that sovereign state whose economic growth rate is lower than its liabilities growth rate must be objectively degraded. Dagong has assigned AAA rating to China, the note A to Russia and A- rating in the United States based on numerous data, whose ratio to which it gives priority: Public debt / GDP. Of course, the US Securities and Exchange Commission refused its application in October 2010, accusing him in a lack of information, transparency and non-adequate methodology. But some independent experts believe that the ratings of OECD countries by Dagong are very relevant. The Chinese agency is listed by the European Financial Markets Authority and it has, since 2013 a European subsidiary jointly owned by Dagong Global Credit Rating and the company of Italian origin Mandarin Capital Partners.

## 5. The political drift of the oligopoly, and the creation of a Russian agency

Until now, we have not mentioned some important aspects of the theory of mimetic desire: notions of crisis, violence and scapegoat [Girard, 1972, p.213–240; 1982, p.21–36]. The degradation of Russia's rating by US agencies is the beginning of a crisis that has led to violence, mostly verbal, among all actors, and the Russian Federation, which rightly perceived itself as a scapegoat reacted on the most relevant ground: the economy and the market structure of rating agencies. The theory of mimetism is once again present in its political and economic dimensions [Girard, 1961, p.101–114]. The decision

of the Standard & Poor's to downgrade Russia has no economic reason and seems just founded on political considerations. To justify its decision noted Russia BB+, which is passed to junk status, the US agency raised the deterioration of monetary flexibility of the country and the deteriorating growth prospects. It does not exclude a future decrease in rating, which depends on several parameters. What does a rating? The first factor is the country's solvency. With a public debt of 9 % of GDP (ie 10 times less than France) and a budget deficit of between 2 % and 3 % of GDP in 2016, Russia is quite solvent and its situation is improving. The size of the payments will require companies to their foreign creditors is not excessive and Russian companies are very creditworthy. The second factor is the growth perspective. Growth should be slightly positive in 2016, of around 0.2 %, with projections for future years at 1.5 % according to the OECD. That Russia is not AAA is understandable. Whether it is noted in "speculative risk" has no economic base. There is no default risk in Russia, implicitly recognize that many players in international financial markets. The third branch of the oligopoly, Fitch had deteriorated Russia from BBB to BBB-, which corresponded to a rating just before the default. There is no economic rationality nor in that decision, but simply an unhealthy pressure from the United States in the markets of its sphere of influence. Russia was penalized 20 and 30 billion euros in 2015. It can therefore be concluded that this arbitrary downgrade of Russia corresponds to a political sanction more than financial. Anton Siluanov, the Russian Finance Minister noted that penalty but wished the perspective.

*A posteriori*, the formal establishment of the agency Universal Credit Rating Group, along with a forum on the reform of the international system of rankings, bringing together the World Bank representatives (WB), International Monetary Fund (IMF), the European Securities and Markets Authority (ESMA), the Asian Development Bank, other international organizations and governments of several countries appears as a power-cons desirable. Universal Credit Rating Group (UCRG) 世界 信用 評級 集團 in Chinese, is a credit rating agency based in Hong Kong. Plans to create UCRG were announced in October 2012, and was established in Hong Kong in June 2013 by three partners, Dagong Global Credit, Egan-Jones Ratings and RusRatings. This is the only internationally oriented agency in the Asia-Pacific region and this is why it is supported by the governments of Russia and China, to challenge in the future hegemony of the three major US agencies.

The Chinese agency Dragon Global Credit (DGC), attributed to Russia an honourable note. The United States are rated A— and Russia, A. Purely financial criteria, this notation is more logical than that of Fitch or Standard & Poor's. The financial reserves of Russia are important, whether those of the Central Bank or those of SWFs disputes managed by the Ministry of Finance. The question of impartiality, and thus the credibility of the US rating agencies is asked. Since 1971, when the unilateral decision by President Nixon, the dollar became inconvertible, the world is mainly trade payables, and the concept of confidence in the precious metals guaranteeing debts disappeared. Only remains the need to make a judgment on the solvency of the borrower who has increased the role of credit rating agencies and that allowed them to consolidate their power. A judgment tainted by political considerations can only lead to a restrictive vision of markets and collateral damage. If we cannot trust in the rating agencies, only private information will allow to judge the actual creditworthiness of borrowers, and the globalization of markets may no longer exist. We cannot deny that the establishment of a Sino-Russian rating agency for political impact, but is it not legitimate for China and Russia to challenge the hegemony of an

oligopoly influenced in American politics? The global financial world has an interest in having rating agencies whose ratings are objective, or at least independent of the policy of great nations. We can expect that the new Russian agency to follow the footsteps of the Chinese agency Dagong, which first studied investment projects in China, Russia and other Asian countries, before getting in power internationally. This objective was clearly reminded by Mr. Anton Siluanov. The next step will be a privileged partnership with other BRICS countries, Brazil and India. The growth path passes through both increasing the credibility of China-Russian agencies and legitimacy that should lead them to facilitate the search for financial resources for investment, search guaranteed by faultless notes.

We can think about the interest of a duopoly as equilibrium factor, but a duopoly consisting of two poles themselves structured in oligopoly: a kind of mega-duopoly [Morgernstern, 1948]. The appearance and growth of Russian and Chinese agencies allows economists to wonder about the potential evolution of the global rating market. Powerful Russian and Chinese rating agencies would result in a redistribution of global powers attached to the information of investors and debt issuers and the obligation to provide the strategy of the opposite group. If the new centre established by China and the Russian Federation reached a critical mass, the answer could be the birth of a new equilibrium, scalable, with two dynamic poles opposing following competitive strategies of non-cooperative equilibrium. Economics are familiar with these models known as duopolies, first studied by Augustin Cournot and then modified by other authors. The Cournot's duopoly is characterized by a double dependency of two groups of equal power, symmetry factor, which does not currently seem applicable to the situation of Western and Eastern branches, which could be better described by an asymmetric Stackelberg' duopoly likely to become, over time, into Bowley's duopoly with both western and eastern dominant pole, but offering the same services, or into Hotelling's duopoly which assumes differentiation of services rendered. Whatever the initial case, and their economic developments, it seems essential that the global information on the rating is no longer hegemonic, but it takes a contradictory way, rebalancing factor of equilibrium, dynamism, and expression of an opposing power. The modification of the existing structures and power of rating agencies is not a dream. Remember that the third branch of the oligopoly, Fitch rating, was not scheduled to take its current power, obtained thanks to the obstinacy of Mr. Ladreit de Lacharrière, the President of Fimalac group. Do not forget that the European Union under the Basel Agreements II and III, is willing to find alternatives to the current power of the oligopoly. These arguments can facilitate the future development of the Russian and Chinese agencies.

## Conclusions

The change in structure and equilibrium will take time, but it is essential for the proper functioning of private companies and public organizations worldwide, as sovereign States. It is no longer possible for institutions that were independent, are manipulated by political interests who want to make an additional instrument of hegemony. There are enough well-known means of political pressure from international actors without mixing problems of various kinds: the world needs, in many areas, an impartial international approach, particularly in the field of investment, and confidence in economic activities. The credit rating agencies, who were born because of this need for knowledge, should not

depart from their role as arbitrator and must retain both great objectivity in their analysis, and transparency in their behaviour, which has not always been the case. Remember the fraudulent bankruptcy of Enron, one of the largest US companies by market capitalization highly rated by the agencies until the end, or embezzlement of Bernard Madoff, one of the greatest American crooks and financial Wall Street, sentenced to 150 years in prison in 2009, which gave lessons to unrestrained agencies. This article is a first attempt to review the fate of agencies through the institutionalist and neo-institutionalist theories, the context theory, and the theory of mimetic desire. It is the starting point for more detailed and precise research. But now, we can think of the following articulations. The theory of context outlines a general frame of reference that allows institutionalist and neo-institutionalist theories to make an external analysis of institutions, and the diachronic highlights. The theory of mimicry or mimetic desire makes it possible to appreciate in depth the motivations, desires and expectations of the entities or companies. The combination of the multiple forms and behaviours described by the mobilized theories eventually lead to an irreversible evolution of the market structures of rating agencies, from imperfect and asymmetric competition to the three-oligopoly, and perhaps to a hybrid structure of one meta-duopoly seeking are balance between two groups of oligopolies.

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